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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/806,060	06/27/2001	Dan Charash	Q63627	5095

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EXAMINER

PATEL, JAGDISH

ART UNIT	PAPER NUMBER
3693	

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	03/07/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

09/806,060

Applicant(s)

CHARASH ET AL.

Examiner

JAGDISH PATEL

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 01 December 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-114 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-114 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

1. This communication is in response to amendment filed 12/1/2006.

Election/Restrictions

2. Claims 115-117 withdrawn from further consideration pursuant to 37 CFR 1.142(b) as being drawn to a nonelected claims. Election was made **without** traverse in the reply filed on 12/1/2006. Claims 1-114 have been examined.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-114 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claims 1-114 do not produce a “concrete” result because it involves a process subject to human judgment.

Claim 1 has been analyzed as exemplary claim. All claims contain same defects.

Claim 1 recites step of evaluating first security and second security without computer and without any specified algorithm or rules or calculations. The results of applicant’s invention in arriving at a first stake and second stake *is* not “concrete”, i.e. clearly not the same results found in *State Street Bank & Trust Co. V. Signature Financial group, Inc.*, 149 F 3d 1371; 47 USPQ 2d

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1599 decided by the U.S. Courts of Appeals. “Today we hold the transformation of data representing discrete dollar amounts by a machine through a series of mathematical calculations into a final share price constitutes a practical application of a mathematical algorithm, formula or calculation because it produces a useful, concrete and tangible result, a final share price momentarily fixed for recording and reporting purposes”. (Underlined emphasize is added.) In the State Street case the “concrete, tangible, and useful results” is allocating money to different funds.

In the *AT&T v. Excel Communications* the useful, concrete, and tangible results is the claimed step of “producing message record for long distance telephone calls, enhanced by addition of Primary Interexchange Carrier (PIC) indicator”, the system performs different calculations and the result facilitates differential billing of calls made by the subscriber to long distance service carrier.

The definition of concrete is particular and specific, not general. Therefore, it is clear from the definition of “concrete” and the analysis of the disclosure and the claimed limitations of the present invention mentioned above that the disclosure of the present invention is nothing more than generalizations regarding the various factors to be taken into consideration, and it is short on any particular or specific direction or guidance in achieving the desired results and in providing a concrete result. Consequently, the claims are analyzed based upon the underlying process and thus rejected as being directed to a non-statutory process.

The claimed inventions also fail to recite useful result because the claim as a whole fails to meet the utility requirement of 101, that the utility must be specific, substantial, and credible utility. The claimed invention provides first security holder and the second security

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holder their respective stakes from the exit of the first security and the second security (i.e. the security pool) based on respectively first and second security evaluation. However, there are no specifics of when and how the evaluation is performed. For example, if there is no evaluation of the first and the second security prior to the securities being pooled and after a predefined investment period after the pooling (in which the pooled investment experience changes in value), there is no basis for determination of the first and the second stake nor any utility served by such an incomplete process.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 1-114 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

4.1 Claim 1 recites process steps of “pooling a first security by a first security holder of a first company and a second security by a second security holder of a second company..” . The claim then recites making a first security evaluation and a second security evaluation and providing a first stake to first security holder and a second stake to second security holder based on the respective security evaluation.

4.2 The foregoing process steps are broadly interpreted as being performed by human entities involved. In particular, the security evaluation is broadly interpreted as being performed

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by human entity or entities and can be treated as subjective process based upon human judgment and therefore leads to indefinite outcome of providing stakes to respective security holders.

4.3 Second problem with the claim is that none of the security evaluation and providing first stake and second stake has anything to do with the security pool. For example, it is not clearly specified that the proceed of an exit of the first and second security is the proceed from the exit of the security pool by the first and the second security holders.

4.4 Claim 1 recites limitation “the proceed of an exit of said first security and said second security”. However, there is no antecedent basis for limitation “the proceed” because no step which determine proceed of the first and the second security is included in the claim.

4.5 Claim 2 recites process of approving the first security for pooling based upon a “pooling determination”. However, the step of pooling recited in claim 1 is performed regardless of the outcome of the approving process, i.e. whether or not the determination is affirmative or otherwise (negative!). Therefore, the process of claim 2 when viewed in combination with that of claim 1 is unclear.

4.6 Claim 3 further limits the step of claim 2, “making said pooling” as making a determination whether said company received an investment within a predetermined time period. As explained in claim 2 analysis, the pooling step of claim 1 is performed independent of whether the first company received an investment within the predetermined time period or not.

This exemplary analysis also applies to other claims dependent upon claim 2.

Dependent claims also inherit deficiencies of the parent claims.

Claims 32-38 are rejected as reciting features of the security pool which do not functionally relate to the process of pooling, evaluating and providing the stakes to the security holders. In other words, the process of claim 1 is performed regardless of whether the type of securities (claims 32-35), or the characteristics security holders or the companies participating in the pooling. Corresponding system and apparatus claims 70-76 and 108-114 are also rejected on this grounds.

Claim Rejections - 35 USC § 102

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

7. Claims 1-2, 32-40, 70-78, 108-114 are rejected under 35 U.S.C. 102(b) as being anticipated by Hackel et al. (US 5,806, 047) (Hackel).

8. Per aforementioned claim 1, Hackel teaches a risk sharing method for securities of a plurality of companies which comprises:

pooling a first security of a first company by a first security holder and a second security of a second company by a second security holder, said second company being not identical to said first company, said first security and said second security defining securities of a security pool; (see col. 2 L 39+ “stock in the sponsoring corporation”, the securities are placed in a single portfolio)

making a first security evaluation relating to said first security;

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making a second security evaluation relating to said second security;

(col. 2 L 56-58, determines the market value of the employer securities and col. 4 L 1-3 valuation of the employer stock)

providing to said first security holder a first stake in the proceeds of an exit of said first security and said second security based on said first security evaluation; and

providing to said second security holder a second stake in the proceeds of an exit of said first security and said second security based on said second security evaluation.

(col. 5 L 11-28 refer to allocation of the available balances to the individual accounts based upon the combined return).

Claim 2: the process of approving the first security to the pool (see Fig.1 step 10).

Claims 32 and 33: wherein said security pool is restricted to only vested securities, and wherein said security pool is restricted to only shares.

Claims 39, 40 and 77, 78 correspond to claims 1 and 2 are similarly analyzed since Hackel teaches a system and apparatus that correspond to the process of claims 1 and 2.

Claims 32-38, 70-76 and 108-114 are rejected, since Hackel is not restricted to specific type of security, the participants or the companies.

Conclusion

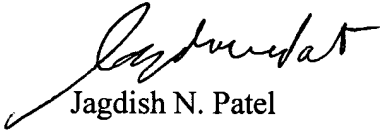
Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (571) 272-6748.

The examiner can normally be reached on **800AM-630PM Mon-Tue and Thu.**

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **KRAMER JAMES A** can be reached on **(571)272-6783**. The fax phone number for the organization where this application or proceeding is assigned is 517-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jagdish N. Patel

(Primary Examiner, AU 3693)

2/27/06